

## Message Text

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44

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01 IGA-02

COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01 /087 W

----- 126816

R 091015Z APR 76

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC 1209

LIMITED OFFICIAL USE DAR ES SALAAM 1245

E.O. 11652: N/A

TAGS: EINV, TZ

SUBJECT: COMPENSATION FOR EXPROPRIATED US PROPERTY:

NOTE FROM TANZANIAN EMBASSY

REF: (A) STATE 78210, (B) STATE 81210

1. EMBASSY SUBMITS BELOW SUGGESTED WORDING FOR SUBSTANTIVE PORTION OF DEPT'S REPLY TO TANZANIAN EMBASSY'S NOTE CONCERNING NATIONALIZED US PROPERTY.

2. BEGIN DRAFT TEXT.

DEPT APPRECIATES TANZANIAN EMBASSY'S PRESENTING ITS UNDERSTANDING OF STATUS OF PENDING CLAIMS FOR COMPENSATION OF PROPERTY NATIONALIZED BY TANGOV.

3. WITH REGARD TO SPECIFIC CLAIMS, THE DEPT OFFERS THE FOLLOWING COMMENTS:

I. IT IS OUR UNDERSTANDING THAT MR. VON ZASTROW REJECTED IN WRITING THE TANGOV'S INITIAL OFFER AS FAR BELOW FAIR MARKET VALUE OF HIS PROPERTY. IN TERMS OF US DOLLARS AT CURRENT EXCHANGE  
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RATES, THE SECOND "GROSS" OFFER TO MR. VON ZASTROW IS ACTUALLY

LESS THAN THE FIRST. MR. VON ZASTROW'S ATTORNEY IN TANZANIA HAS INFORMED OUR EMBASSY THAT HE WILL RESPOND SOON TO THE SECOND OFFER.

II. ON APRIL 6, 1976, OUR EMBASSY IN DAR ES SALAAM RECEIVED A COPY OF A LETTER FROM THE TANZANIAN TREASURY INDICATING THAT A FIRST OFFER OF TSHS 74,000 WOULD BE FORTHCOMING FOR THE TWO HOUSES BELONGING TO MISS STADLER AND MISS FORBES, NATIONALIZED IN 1971. OUR EMBASSY HAS CONVEYED THIS INFORMATION TO THE ATTORNEY WHO HAS BEEN REPRESENTING THEIR CLAIM. HE WILL SUBMIT A RESPONSE TO THE APPROPRIATE TANZANIAN AUTHORITIES.

III. IT IS OUR UNDERSTANDING THAT CAPT. JAMES MAY HAS ACCEPTED THE SETTLEMENT NEGOTIATED WITH THE TANZANIAN GOVERNMENT AND IS AWAITING TANZANIAN APPROVAL OF HIS REQUEST THAT PAYMENT BE MADE IN FOREIGN EXCHANGE.

IV. THE DEPT ALSO WISHES TO BRING TO THE EMBASSY'S ATTENTION THAT ON DECEMBER 31, 1975, OUR EMBASSY IN DAR INFORMED THE TREASURY REGISTRAR THAT CALTEX OIL TANZANIA LTD. WAS STILL AWAITING A RESPONSE TO ITS MANY INQUIRIES REGARDING A CLAIM FOR PROPERTY EXPROPRIATED IN 1971. THE EMBASSY, AS WELL AS CALTEX' LEGAL COUNSEL, HAVE CONTINUED TO RAISE THIS MATTER WITH TANZANIAN OFFICIALS. TO DATE, THERE HAS BEEN NO ACKNOWLEDGEMENT OF THIS CLAIM.

4. THE DEPT WELCOMES THE EMBASSY'S STATEMENT THAT ITS GOVERNMENT IS DETERMINED TO TAKE ALL REASONABLE AND NECESSARY MEASURES TOWARD SETTLEMENT OF THESE CASES. UNDER INTERNATIONAL LAW, THE UNITED STATES HAS A RIGHT TO EXPECT THAT ITS CITIZENS WILL RECEIVE PROMPT, ADEQUATE AND EFFECTIVE COMPENSATION FROM COUNTRIES WHICH EXPROPRIATE THEIR PROPERTY. IT IS THE VIEW OF THE US THAT SUCH CITIZENS ARE ENTITLED TO THE FAIR MARKET VALUE OF THEIR INTERESTS AND TO PROMPT COMPENSATION PAYMENT IN CONVERTIBLE CURRENCY.

5. THE AMERICAN EMBASSY IN DAR ES SALAAM HAS BEEN INSTRUCTED TO CONTINUE TO FOLLOW THESE CLAIMS CLOSELY AND TO AGAIN URGE PROMPT NEGOTIATED SETTLEMENT OF THEM.

6. THE DEPT ALSO HOPES THAT THE EMBASSY OF TANZANIA WILL LIMITED OFFICIAL USE

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CONTINUE TO MAKE KNOWN TO ITS GOVERNMENT THE IMPORTANCE ATTACHED BY THE USG TO THIS MATTER OF LONG-PENDING UNRESOLVED CLAIMS.

END DRAFT TEXT.  
SPAIN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMPENSATION, NATIONALIZATION, AGREEMENT DRAFT, FOREIGN EXCHANGE RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
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**Review Authority:** ShawDG  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** COMPENSATION FOR EXPROPRIATED US PROPERTY: NOTE FROM TANZANIAN EMBASSY  
**TAGS:** EINV, TZ, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006